GOVERNMENT OF INDIA
INFORMATION AND BROADCASTING
LOK SABHA

UNSTARRED QUESTION NO:972
ANSWERED ON:24.11.2000
PAYMENT OF BANK GUARANTEE FOR FM CHANNELS
VSM (RETD.) COL. CHOUDHARY

Will the Minister of INFORMATION AND BROADCASTING be pleased to state:

(a) whether the attention of the Government has been drawn to the news-item captioned `Bidders holding Ministry to Ransom` published in `The Hindustan Times` dated October 16, 2000;

(b) if so, the facts of the matter reported therein;

(c) whether private licences have not only managed to get the deadline for bank guarantees extended but have also got the terms of the contract altered to their advantage in the event of defaulting annual licence fee; and

(d) if so, the details thereof and justification for extending deadline for bank guarantee and altering the terms of contract?

Answer

THE MINISTER OF INFORMATION AND BROADCASTING (SMT. SUSHMA SWARAJ)

(a) : Yes, Sir.

(b), (c) & (d): The private FM operators had requested for extending the deadline, as the completion of Banking formalities for such large sums required more than 15 days stipulated in the tenders and also for amending few clauses in the agreement contract as these were inconsistent with the conditions prescribed in the tender document. The requests were examined and necessary changes were made in the agreement proforma to bring it in conformity with the notified tender conditions. No term has been altered to any prospective private Broadcaster`s advantage in the event of defaulting annual licence fee. The details of changes made in the agreement/ contract are given in the Annexure.